



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

| | | | |
|-------------------------|---------------------|----------------|---|
| Bill # | SB0423 | Title: | Revise laws relating to mercury containing products |
| Primary Sponsor: | Kaufmann, Christine | Status: | Third Reading |

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2008 Difference</u> | <u>FY 2009 Difference</u> | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | \$92,897 | \$90,805 | \$93,075 | \$95,402 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance | <u>(\$92,897)</u> | <u>(\$90,805)</u> | <u>(\$93,075)</u> | <u>(\$95,402)</u> |

Description of fiscal impact:

The fiscal impact would include 1.00 FTE and operating expenses to implement new regulations banning the sale of mercury-containing products and requiring labeling, pre-sale notification, and phase out the disposal of mercury containing products in landfills.

FISCAL ANALYSIS

Assumptions:

Department of Environmental Quality (DEQ)

1. The DEQ would participate in a regional multi-state clearinghouse to assist it in carrying out all of the provisions of the bill. The DEQ would join the regional IMERC at a cost of \$10,000 per year for membership.
2. The DEQ would oversee the presale notification required for mercury containing products. This will involve the regular review of notifications from industry about products to be sold in Montana covering a wide range of products. The DEQ would participate in a multi-state effort to collect information in a

uniform way and would use the IMERC clearinghouse and data base to make this information readily available.

3. The DEQ would review labeling and consumer information for products containing mercury.
4. The DEQ will need 1.00 FTE to complete the work associated with assumptions 1-3. This will be a environmental specialist.
5. From the 1.00 FTE, personal services costs would consist of salary and related benefits. Operating costs would include office set-up, travel, printing at \$1,800 annually for notification requirements, and average phone and office expenses. Total costs for personal services would be \$53,891 in FY 2008 and \$53,891 in FY 2009. Total costs for operating expenses (excluding the IMERC membership from assumption #1) would be \$29,006 in FY 2008 and \$26,914 in FY 2009.
6. A 2.5% inflation factor has been applied to FY 2010 and FY 2011.
7. The DEQ will oversee the disposal phase-out of mercury-containing products in landfills. This task will begin in 2012. No costs are shown for this activity.

| | <u>FY 2008 Difference</u> | <u>FY 2009 Difference</u> | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | 1.00 | 1.00 | 1.00 | 1.00 |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$53,891 | \$53,891 | \$55,238 | \$56,619 |
| Operating Expenses | \$39,006 | \$36,914 | \$37,837 | \$38,783 |
| TOTAL Expenditures | \$92,897 | \$90,805 | \$93,075 | \$95,402 |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$92,897 | \$90,805 | \$93,075 | \$95,402 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | (\$92,897) | (\$90,805) | (\$93,075) | (\$95,402) |

Technical Notes:

1. Section 6 requires labeling of products containing mercury. Section 7 prohibits placement of mercury-added products in waste for disposal in a solid waste disposal facility. It also requires an owner or operator of a facility to provide notice that mercury-added products cannot be disposed of in a facility and requires the owner or operator to monitor for and separate mercury-added products. However, SB 423 contains no new enforcement mechanism. In addition, because the codification instruction does not codify the bill in any particular chapter and part of Title 75, no existing enforcement provisions within Title 75 would apply to the bill. Therefore, there is no enforcement mechanism for the bill.
2. The references in section 7 to "regulated by Title 75, chapter 10, part 1" should instead be "regulated by Title 75, chapter 10, part 2." Part 1 contains no regulatory provisions.

Sponsor's Initials

Date

Budget Director's Initials

Date